Term Sheet

Wallenius Wilhelmsen ASA FRN Senior Unsecured Open Bond Issue 2021/2026
(the “Bonds” or the “Bond Issue”)

Issue Date: Expected to be 3 September 2021

ISIN: NO0011082091
Issuer: Wallenius Wilhelmsen ASA, incorporated under the laws of Norway with business registration number 995 216 604 and LEI-code 549300NBN0URT3RA3Y54.
Currency: NOK.
Borrowing Limit: NOK 2,000 million.
First Tranche: NOK 1,500 million.
Tap Issue: The Issuer may at one or more occasions up until, but excluding, the Maturity Date issue Additional Bonds under the Bond Issue (each such issue, a “Tap Issue”), until Bonds are issued in total with Nominal Amount equivalent to the Borrowing Limit (less the Nominal Amount of any previously redeemed Bonds). The Additional Bonds issued in a Tap Issue shall be subject to the terms and conditions of the finance documents. The Additional Bonds may be issued at a discount or at a premium relative to the Issue Price.

Additional Bonds: Additional Bonds means Bonds issued under a Tap Issue, including any Temporary Bonds.
Coupon rate: 3 months NIBOR + 3.90% p.a., quarterly interest payments. If NIBOR is less than zero, NIBOR shall be deemed to be zero.
Issue Date: Expected to be 3 September 2021. Confirmation of the Issue Date to be given to subscribers at least two business days prior to the Issue Date.
Maturity Date: 3 March 2026 (4.5 years after the Issue Date).
Amortization and Redemption: The Bonds shall be repaid in full on the Maturity Date at par (100.00%).
Interest Payments: Interest on the Bonds will start to accrue on the Issue Date and shall be payable quarterly in arrears on the interest payment day in March, June, September and December each year (each an “Interest Payment Day”), or if the Interest Payment Day does not fall on a banking day in Oslo, on the first subsequent banking day. Day-count fraction for coupon is “actual/360” and business day convention is “modified following”.
Business Days: Oslo.
Default interest: Coupon rate plus 3% p.a.
Issue Price: 100.00% of the Nominal Amount (par).
Nominal Amount: The Bonds will each have a nominal (par) value of NOK 500,000 (minimum subscription and allocation amount is NOK 1,500,000, but in no event less than the NOK equivalent of EUR 100,000).

Purpose of the Bond Issue and any Tap Issue: The net proceeds from the Bonds shall be used for refinancing of existing debt and/or other general corporate purposes of the Group.

Status of the Bonds: The Bonds shall rank ahead of all subordinated payment obligations of the Issuer and shall rank at least pari passu with all the Issuer’s other obligations, save for obligations which are mandatorily preferred by law. The Bonds shall be unsecured.

Covenants and Events of Default: The Bond Terms shall include the same general undertakings as the bond terms for the Issuer’s existing bonds WALWIL03 with ISIN NO0010891971 (the “Existing Bonds”), including that during the term of the Bonds, the Issuer shall (unless the Bond Trustee or the Bondholders’ meeting (as the case may be) in writing has agreed to otherwise) comply with the following covenants:

a) Authorisations: The Issuer shall in all material respects obtain, maintain and comply with the terms of any authorisation, approval, license and consent required for the conduct of its business as carried out at the date of the Bond Terms if a failure to do so would have a Material Adverse Effect.

b) Compliance with laws: The Issuer shall comply in all material respects with all laws and regulations to which it may be subject from time to time, if failure so to comply would materially impair its ability to perform its payment obligations under the Bond Terms.

c) Continuation of business: The Issuer undertakes not to (either in one action or as several actions, voluntarily or involuntarily):

(i) sell or otherwise dispose of all or parts of its assets or business;
(ii) change the nature of its business; or
(iii) merge, demerge or in any other way restructure its business,

if such action will materially and adversely affect the Issuer’s ability to fulfil its obligations under the Bond Issue.

d) Related party transactions: Without limiting clause b) above (Compliance with laws), the Issuer shall conduct all business transactions with any Affiliate at market terms and otherwise on an arm’s length basis.

e) Events of default: The Bond Terms shall include the following event of default provisions related to the Issuer, with applicable and customary remedy provisions and exceptions:

(i) Non-Payment;
(ii) Breach of other obligations;
(iii) Misrepresentation;
(iv) Cross default with a NOK 10 million threshold;
(v) Insolvency and insolvency proceedings;
(vi) Creditor’s process; and
(vii) Unlawfulness.

Information Undertakings: Standard information undertakings pursuant to the Bond Terms, including an obligation for the Issuer to, without being requested to do so:
(a) prepare Annual Financial Statements in the English language and make them available on its website and via the distribution system at the Exchange from time of listing of the Bonds as soon as they become available, and not later than 120 calendar days after the end of the financial year; and

(b) prepare Interim Accounts in the English language and make them available on its website and via the distribution system at the Exchange from time of listing of the Bonds as soon as they become available, and not later than sixty (60) calendar days after the end of the relevant interim period.

Financial covenant: The Issuer undertakes to ensure that the aggregate amount of loans and/or guarantees in respect of which the Issuer has provided security shall not exceed 30% of the book value of Issuer’s total assets.

Litigation: The on-going anti-trust investigation performed by certain competition authorities of Wallenius Wilhelmsen Ocean AS (owned 100% by the Issuer) and EUKOR Car Carriers Inc. (owned 80% by the Issuer) in certain jurisdictions related to alleged anti-trust infringements in the car carrier industry, and any outcome thereof or civil claims related thereto, shall not be deemed a breach of the Bond Terms.

Definitions: “Affiliate” means, in relation to any specific person:
(a) any person which is a Subsidiary of the specified person;
(b) any person who has Decisive Influence over the specified person (directly or indirectly); and
(c) any person which is a Subsidiary of an entity who has Decisive Influence (directly or indirectly) over the specified person.

“Annual Financial Statements” means the audited unconsolidated and consolidated annual financial statements of the Issuer for any financial year, prepared in accordance with GAAP, such financial statements to include a profit and loss account, balance sheet, cash flow statement and report of the board of directors.

“Decisive Influence” means a person having, as a result of an agreement or through the ownership of shares or interests in another person (directly or indirectly):
(a) a majority of the voting rights in that other person; or
(b) a right to elect or remove a majority of the members of the board of directors of that other person.

“Group” means the Issuer and its Subsidiaries from time to time.

“Interim Accounts” means the unaudited consolidated quarterly financial statements of the Issuer for the quarterly period ending on each 31 March, 30 June, 30 September and 31 December.

“Material Adverse Effect” means a material adverse effect on:
(a) the ability of the Issuer to perform and comply with its obligations under any of the finance documents; or
(b) the validity or enforceability of any of the finance documents.

“Subsidiary” means a company over which another company has Decisive Influence.

Approvals: The Bonds will be issued pursuant to approval by the Issuer’s board of directors.

Issuer’s ownership of Bonds: The Issuer has the right to acquire and own the Bonds. Such Bonds may at the Issuer’s discretion be retained by the Issuer, sold or discharged.

Joint Lead Managers: Danske Bank, Norwegian Branch;
DNB Markets, a part of DNB Bank ASA;
Nordea Bank Abp, filial i Norge;
Skandinaviska Enskilda Banken AB (publ); and
Swedbank Norge, Branch of Swedbank AB (publ).
Bond Trustee: Nordic Trustee AS, Postboks 1470 Vika, 0116 Oslo.

Registration: The Norwegian Central Securities Depository (the “VPS”).

Paying Agent: Nordea Bank Abp, filial i Norge.

Taxation: The Issuer is responsible for withholding any withholding tax imposed by Norwegian law, subject to standard gross up and call provisions.

Bond Terms: The bond terms governing the Bond Issue (the “Bond Terms”) will be entered into by the Issuer and the Bond Trustee acting as the bondholders’ representative, and will be based on the bond terms for the Existing Bonds dated 8 September 2020. The Bond Terms shall regulate the bondholders’ rights and obligations with respect to the Bonds. If any discrepancy should occur between this Term Sheet and the Bond Terms, then the Bond Terms shall prevail.

Each subscriber in the Bonds, such subscription documented by an application agreement, a taped telephone conversation, e-mail or otherwise, is deemed to have granted authority to the Bond Trustee to finalize and execute the Bond Terms. Minor adjustments to the structure described in this Term Sheet may occur.

The application agreement for the Bond Issue specifically includes an authorization from the applicant to the Bond Trustee to execute and deliver the Bond Terms on behalf of the prospective bondholders, who will execute and deliver such application agreements (either in writing, a taped telephone conversation, e-mail or otherwise) prior to receiving Bond allotments. On this basis, the Issuer and the Bond Trustee will execute and deliver the Bond Terms and the latter’s execution and delivery is on behalf of all of the subscribers, such that they thereby will become parties to the Bond Terms by virtue of being holders of Bonds. The Bond Terms will specify that all Bond transfers shall be subject to the terms thereof, and the Bond Trustee and all Bond transferees shall, when acquiring the Bonds, be deemed to have accepted the terms of the Bond Terms, which specifies that all such transferees shall automatically become parties to the Bond Terms upon completed transfer having been registered in the VPS, without any further action required to be taken or formalities to be complied with. The Bond Terms shall specify that it shall be made available to the general public for inspection purposes and may, until redemption in full of the Bonds, be obtained on request by the Bond Trustee or the Issuer. Such availability shall be recorded in the VPS particulars relating to the Bonds.

Stock Exchange listing: The Issuer will ensure that the Bonds are listed on Oslo Børs or any other regulated market (an “Exchange”) within six months of the Issue Date and remain listed on an Exchange until the Bonds have been redeemed in full.

Additional Bond Listing: Any Additional Bonds shall be listed on the Exchange no later than the date falling six months after the date such Additional Bonds were issued. Until the Additional Bonds are listed, they may be issued under a separate ISIN (bonds under such separate ISIN, the “Temporary Bonds”). Upon the listing of the Temporary Bonds on the Exchange, the Temporary Bonds will be converted into the ISIN for the Bonds issued on the Issue Date. The Bond Terms will also govern the Temporary Bonds. The Issuer will inform the Bond Trustee, the Exchange and the paying agent once the Temporary Bonds are listed.

Listing Failure Event: If:

(a) the Bonds (save for any Temporary Bonds) have not been admitted to listing on an Exchange within 6 months following the Issue Date, or

(b) in the case of a successful admission to listing, a period of 6 months has elapsed since the Bonds ceased to be admitted to listing on an Exchange; or
any Temporary Bonds have not been admitted to listing on the Exchange within 6 months following the issue date for such Temporary Bonds, then (and for as long as such Listing Failure Event is continuing) the interest on the Bonds will accrue at the Interest Rate plus 1 percentage point per annum. In the event the Listing Failure Event relates to Temporary Bonds, the Interest Rate will only be increased in respect of such Temporary Bonds.

**Eligible purchasers:** The Bonds are not being offered to and may not be purchased by investors located in the United States except for “Qualified Institutional Buyers” (QIBs) within the meaning of Rule 144A under the U.S. Securities Act of 1933, as amended. In addition to the Subscription Agreement that each investor will be required to execute, each U.S. investor that wishes to purchase Bonds will be required to execute and deliver to the Issuer a certification in a form to be provided by the Issuer stating, among other things, that the investor is a QIB. The Bonds may not be purchased by, or for the benefit of, persons resident in Canada.

**Market making:** No market-maker agreement has been made for this Bond Issue.

**Target market:** Manufacturer target market (MIFID II product governance) is eligible counterparties, professional clients and also retail clients (all distribution channels). No PRIIPs key information document (KID) has been prepared as not deemed within scope.

**Subject to:** The issue of Bonds is subject to finalized bond documentation and approval of bond documentation by the Issuer and the Bond Trustee.

Oslo, 20 August 2021